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Possibility of important Soviet move in Germany.

Reasons:

1) East Berlin riot represents severe reverse. Need some
action to counter its effect.

2) East German Communist government has failed and must
(3)
be totally reorganized. German elections come first week
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September. Soviet action against Adenauer and EDC if
effective in electoral campaign must come quickly.

3) Top level consultations presumably going on now in Moscow
view recall of some 20 high ranking Soviet officials from

East Germany, including it is believed the High Commissioner,
Semenov. (Also Soviet Ambassadors US, UK, France, etc.

have returned), Malik on few minute notice,
Sov Amb. Iran left with 9 other officials)

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4) Major withdrawal of Soviet aircraft from East Germany.

5) Beria mysteriously missing from June 27 Bolshoi

theater ceremony when all other important Soviet officials

present. Was he in Germany or visiting atomic energy

installations, etc?

6) Dutch officials usually well informed expect some

important Soviet action regarding Germany.

peace offensive
If the Soviet is in fact preparing for some drastic move in

Germany it would explain their apparent desire for truce in Korea.

A peace offensive ~~move~~ in Germany would be dulled by
continuance of Korean hostilities.

Commies + backstabbing Soviet
The probabilities that Soviet wants Korean truce indicated by:

1) The failure to attempt vigorous exploitation our difficulties
with Syngman Rhee.

2) Communist official reaction regarding prisoner release
relatively mild and propaganda was left for radio
exploitation.

military
3) Communists have kept up attacks, particularly on ROK
forces, possibly to remind them of difficulties of going
it alone.

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4) Soviet Ambassador Peking informed Swedish Ambassador

(apparently for repetition to us) ~~that~~ Chinese demand that

escaped prisoners should be recaptured was not to be taken

literally and that Rhee coup had no military significance.

Also that unnecessary transfer of PWs outside of Korea

Sov Amb.

~~and~~ congratulated Swedish government ~~in~~ sending forward

their prisoner screening mission. Also Vishinsky told

Swedish Ambassador Moscow that it was most important,

(since Rhee had tried sabotage agreement) that every effort

be concentrated on reaching Armistice.

*Ref also to In 37964-7/1- CC NCNA story
start order to Ja Kung Pao HK - CC - NK will not
close door to truce*

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